Approved For Release 2001/03/05 : CIA-RDP82-00457R002 CLASSIFICATION SECRET/CONTROL - U.S. OFFICIALS CHIX CENTRAL INTELLIGENCE AGENCY REPORT NO. INFORMATION REPORT 25X1A Confidential 18 November 1948 DATE DISTR. China COUNTRY Armed Communist Infiltration of Shanghai NO. OF PAGES SUBJECT General Conditions in Shanghai Panic Among Government Officials in Nanking NO. OF ENCLS. PLACE ACQUIRED (LISTED BELOW) SUPPLEMENT TO REPORT NO. 25X1X refraction response to the second * Except as noted THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE MATIONAL DEFRISE OF THE UNITED STATES WITHIN THE BEAMING OF THE SEPROMAGE ACT SO U. S. C., 31 AND 32, AS ABENDED, ITS TRANSMISSION OF THE REFLATION OF ITS CONTENTS IN ANY MANAGER TO AN UNMANTHORIZED FERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM HAY DE INITIAL STATE OF THE RECEIVENC AGENCY. THIS IS UNEVALUATED INFORMATION FOR THE RESEARCH USE OF TRAINED INTELLIGENCE ANALYSTS reconstruction of the second 25X1X SOURCE About 1,000 Communists with light arms entered Shanghai on 13 November, bringing the total number of armed Communists in Shanghai to an estimated 3,000. They held a meeting on 14 November. The purpose of these Communists was to instigate rice riots, using the slogan, "anti-hunger". However, the food situation was alleviated before their arrival. 3. They now plan to organize a campaign against eight years of war called for by the Generalissimo, under the slogan, "anti-suffering-for-war and (anti)suppression-of-people". 4. The Shanghai Carrison and police have been unable to locate these Communists. They feel that the Communists in Shanghai will remain under control so long as the military situation in Hsuchou remains fundamentally unchanged. 5. Layor W Kuo-chen of Shanghai stated that he will have ten million picule of rice by Chinese New Year. This is a six months' supply. Shanghai labor conditions are continuing to deteriorate. On 16 November Mayor MU, HSUAN Tieh-wu, Shanghai police chief, and other officials met to discuss the situation. Layor MU expressed his intention to decree death for strikers. Comment. It is doubtful that the mayor's proposed action will bring 25X1X results. Tranway and power company workers are ready to strike.) 7. On 15 November government officials in Nanking became panicky and were attempting to leave Nanting en masse, but the Generalissimo persuaded them to remain. Their families wil! be allowed to leave. The Communists are expected 8. Shanghai will probably be safe for the next month. to make a move to capture Shanghai prior to January 1948 in order to present the United States Congress with a fait accompli. This document is hereby regraded to Document No. CONFIDENTIAL in accordance with the NO CHANGE in Clabs letter of 16 October 1973 from the Director of Central Intelligence to the deglassiriedi Archivist of the United States. **dabrárb** Class DDA Memo, Next Review Date: 2008 DDA REG. 77/1763 Date: 1 1 MAI 378 - By: SECRET/CONTROL - U. S. OFFICIALS ONLY CLASSIFICATION

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